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ABSTRACT

Wages and salaries are influenced by many factors, including the employer's perception of the productivity and availability of workers with different levels of education. They are also affected by economic conditions in the industries that typically employ workers with different levels of education. Annual earnings are influenced by the number of weeks worked in a year and the usual hours worked each week. The ratio of annual earnings of high school dropouts or college graduates to those of high school graduates is affected by all these factors; it is a measure of the earnings disadvantage of not finishing high school and the advantage of completing college. Generally, the earnings advantage of college graduates is greater for females than for males. The earnings advantage of having a bachelor's degree was more than double the earnings advantage of having attended only some college. (A chart illustrates the percentage difference between median annual earnings of wage and salary workers who are high school graduates and workers with other levels of educational attainment by sex, race/ethnicity, type of worker, and age. Four charts show percentage of difference between median annual earnings of all wage and salary workers who are high school graduates and workers with other levels of educational attainment for these four populations: males 25-34 years old, males 45-54 years old, females 25-34 years old, and females 45-54 years old.) (YLB)

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ED 367 875

Annual Earnings of Young Adults
Indicator of the Month

National Center for Education Statistics

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

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INDICATOR of the MONTH

NATIONAL CENTER FOR EDUCATION STATISTICS

Annual earnings of young adults

March 1994

Wages and salaries are influenced by many factors, including the employer's perception of the productivity and the availability of workers with different levels of education. They are also affected by economic conditions in the industries that typically employ workers with different levels of education. Annual earnings are influenced by the number of weeks worked in a year and the usual hours worked each week. The ratio of annual earnings of high school dropouts or college graduates to those of high school graduates is affected by all these factors; it is a measure of the earnings disadvantage of not finishing high school and the advantage of completing college.

- **In 1991, among white male workers 25–34 years old, the earnings of college graduates were 47 percent greater than those of high school graduates, while those who had not completed high school earned 30 percent less.**
- **Generally, the earnings advantage of college graduates was greater for females than for males, that is, the percentage difference between earnings of college graduates and high school graduates was greater for females than for males.**
- **The earnings advantage of having a bachelor's degree was more than double the earnings advantage of having attended only some college. For example, among white female workers 25–34 years old, the earnings of college graduates were 88 percent greater than those of high school graduates and the earnings of those with some college were 32 percent greater than those of high school graduates.**

Percentage difference between median annual earnings of wage and salary workers who are high school graduates and workers with other levels of educational attainment, by sex, race/ethnicity, type of worker, and age: 1991

Type of workers and educational attainment	Male				Female			
	Total	White	Black	Hispanic	Total	White	Black	Hispanic
				Ages 25 to 34				
All workers								
Grades 9 to 11	(35)	(30)	(32)	(16)	(40)	(37)	(47)	(42)
Some college	12	13	14	26	30	32	31	24
Bachelor's degree	54	47	62	62	88	88	93	71
Full-time, full-year workers								
Grades 9 to 11	(20)	(15)	(22)	(14)	(29)	(29)	(34)	—
Some college	18	13	25	35	18	19	16	18
Bachelor's degree	57	49	65	81	56	55	46	49
				Ages 45 to 54				
All workers								
Grades 9 to 11	(27)	(27)	(29)	—	(20)	(21)	(11)	—
Some college	22	17	23	43	28	26	54	—
Bachelor's degree	62	56	47	—	93	93	99	—
Full-time, full-year workers								
Grades 9 to 11	(29)	(24)	(32)	—	(22)	(25)	(15)	—
Some college	16	14	25	—	24	22	42	18
Bachelor's degree	52	53	40	—	68	68	68	—

— Too few sample observations for a reliable estimate.

NOTE: Parentheses are used to indicate negative numbers. Grades 9 to 11 includes those who attended grade 12 but did not receive a diploma; high school includes those who received an equivalency certificate; some college includes those who have received an associate's degree; and bachelor's degree includes those who received advanced degrees. Included in the total but not shown separately are workers of other races, primarily Asians and American Indians.

SOURCE: U.S. Department of Commerce, Bureau of the Census, March Current Population Survey, 1992.

U.S. Department of Education **Office of Educational Research and Improvement**

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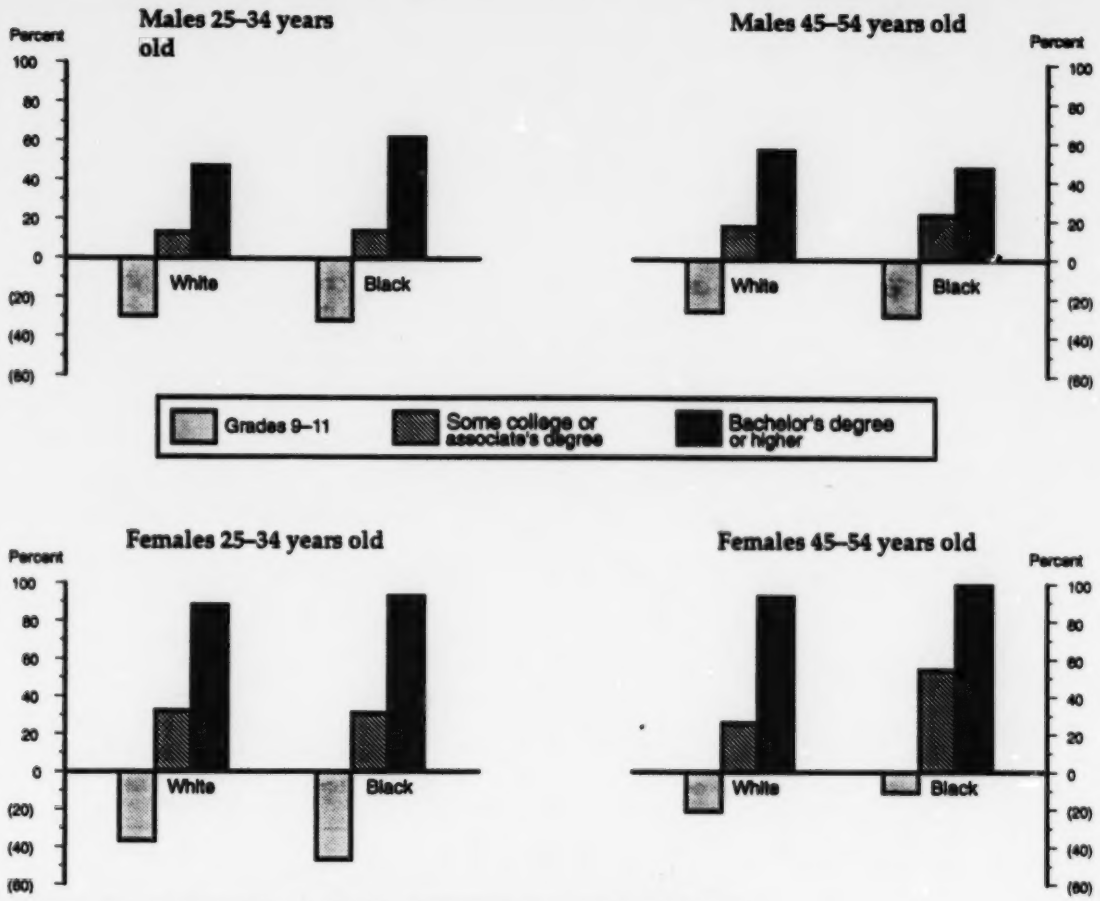
Percentage difference between median annual earnings of all wage and salary workers who are high school graduates and workers with other levels of educational attainment: 1991



NOTE: Y axis label: Percent above or below earnings of high school graduates of the same sex, race, and age.

SOURCE: U.S. Department of Commerce, Bureau of the Census, March Current Population Survey, 1992.

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